

M/027/087

Mr. Mert Hamilton
Rocanville Corporation
P. O. Box 35
Delta, Utah 84624

RECEIVED

APR 14 2005

April 11, 2005

DIV. OF OIL, GAS & MINING

Mr. Daron R. Haddock
Permit Supervisor
Minerals Regulatory Program
Division of Oil, Gas, and Mining
P. O. Box 145801
Salt Lake City, Utah 84114-5801

re: Request to schedule Surety payments for Rocanville Corporation, Tejon Quarries, M/027/087, Millard County, Utah

Dear Mr. Haddock:

Upon receipt of the approved Reclamation Surety Estimate for the Tejon Quarries, I found it had been increased to \$116,700 from my proposed \$86,730. Although my quantities and areas to be affected were accepted as proposed, DOGM revised upward the unit costs and the rate of escalation. This increased the cost of the Surety Estimate by \$29,970; about 34.6%.

At this time, Rocanville Corporation has \$31,700 in Surety posted with DOGM leaving \$85,000 additional bonding to be posted (\$116,700 - \$31,700). This is an extremely large amount of money for a small quarry operator to be able to set aside for future obligations. Therefore, Rocanville Corporation requests DOGM consider spreading out the obligation so that the entire amount is not required up front.

Rocanville Corporation proposes the following Surety payment schedule:

- \$25,000 to be posted with the completed Reclamation Contract.
- \$15,000 to be posted with DOGM not later than March 31, 2006
- \$15,000 to be posted with DOGM not later than March 31, 2007
- \$15,000 to be posted with DOGM not later than March 31, 2008
- \$15,000 to be posted with DOGM not later than March 31, 2009
- \$85,000 total to be posted with DOGM

There is some precedence in DOGM accepting partial Surety payments according to my consultant; David Ryzak. He said that while he was a consultant for American Stone in 1999-2000, a partial Surety payment schedule was set up for the Cotton Thomas Quarries in Box Elder County operated by American Stone.

Please consider this proposal favorably.

Sincerely,



Mert Hamilton

cc: David Ryzak